

PHMC Contract Overview

**D. G. Ruscitto, President and Chief Executive
Officer/(509) 376-1998**



***HAMMER's first
graduating class of
Recovery Act D&D
workers***

***Hanford Patrol placed
second at the annual
National Security
Protection Officer Team
Competition***



***Excavation and installation of new
pipe in support of mortar lining the
old portion of water line to T-Plant***

Overview

This section of the report is intended to provide an executive-level performance overview. Unless otherwise noted, all information is as of May 2009.

Included in this section are descriptions of significant accomplishments considered to have made the greatest contribution toward safe, timely, and cost-effective progress against the contract with RL; project cost summary analysis; and overviews of safety and critical issues that identify the high-level challenges to achieving cleanup progress.

Notable Accomplishments

Safeguards and Security (PBS RL-0020)

- Hanford Patrol took Second Place overall at Security Protection Officer Team Competition (SPOTC)
- Completed tactical obstacle course qualifications without injury
- Completed Perimeter Intrusion Detection and Alarm System (PIDAS) installation at Interim Storage Area
- Completed installation and contractor testing of Zetron communications system
- Completed annual Firearms Assessment

Nuclear Facility Decontamination and Decommissioning (D&D), Remainder of Hanford (PBS RL-0040)

- **Closure Services and Infrastructure**
 - Awarded contract for L-673, *Safety Enhancements, 400 Area Facilities*.
 - Completed mortar lining of additional 3,900 linear feet of water lines (*L-449, Mortar Line 12" Water Line – Baltimore, Options 1-4*).
- **HAMMER**
 - American Recovery Reinvestment Act new hires completed over 3,000 courses in May which doubled the historical training average for the month.
 - Completed Premise Isolation Project to install backflow preventers on the main water line for City of Richland.

General Site Services (GSS)

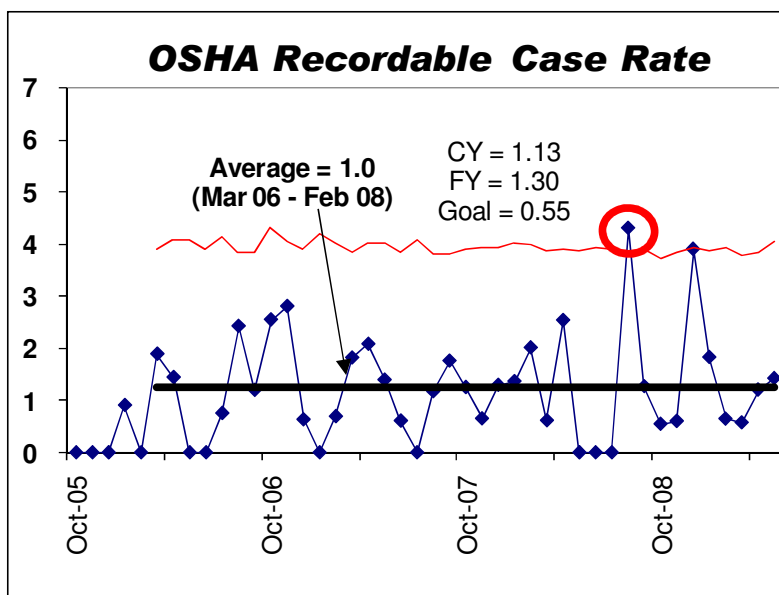
- Completed the WiMax Pilot Project.
- Waste Sampling and Characterization Facility (WSCF) successfully installed and inspected three alpha beta counters.
- WSCF received three fume hoods. One of the three final exhaust duct transition sections have been fabricated with final two to be completed in June 2009.
- 10CFR851 Compliance Self Assessment completed and submitted to DOE June 5, 2009.
- Site-wide Safety Program Plan (HNF-MP-41080) completed and delivered June 1, 2009.
- Beryllium Program Site Wide Plan completed and delivered June 1, 2009.

Safety Overview

The focus of this section is to document trends in occurrences. FH continues to focus on improving safety through the efforts of the PHMC workforce as they implement the Integrated Environmental Safety and Health Management System, work towards achieving and maintaining Voluntary Protection Program "Star" status, and accomplish work through enhanced work planning. Safety and health statistical data is presented below. The safety charts are reported according to Occupational Safety and Health Administration (OSHA) standards.

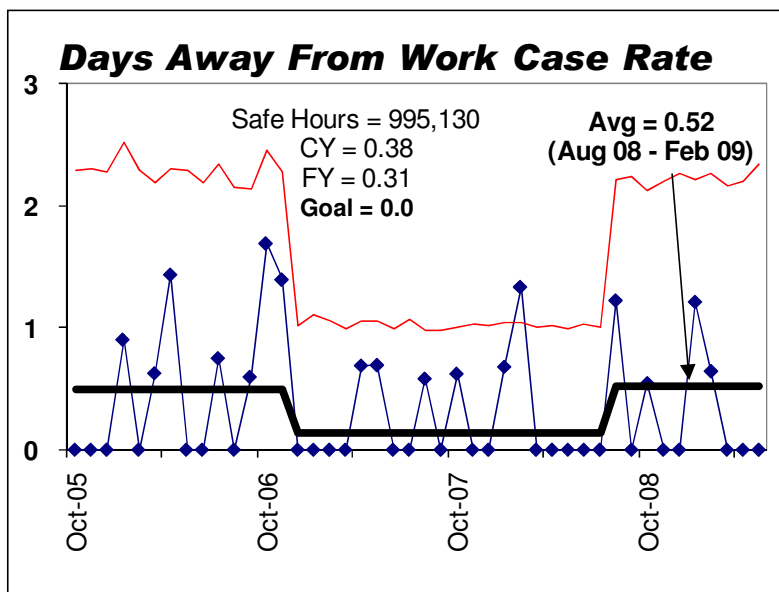
NOTE: Fiscal Year 2009 started October 1, 2008. These charts reflect the work scope of the PHMC with the Plateau Remediation Contract scope removed. Both the current and the historic data have been revised to reflect the PHMC scope.

Total OSHA Recordable Case Rate:



There were two new OSHA injury reported in May, one involving a laceration to the hand, and one resulting from a four-foot fall. Through May, a total of twelve non-Days Away recordable OSHA injuries have been reported. The fiscal year to-date rate remains stable, however above corporate goals.

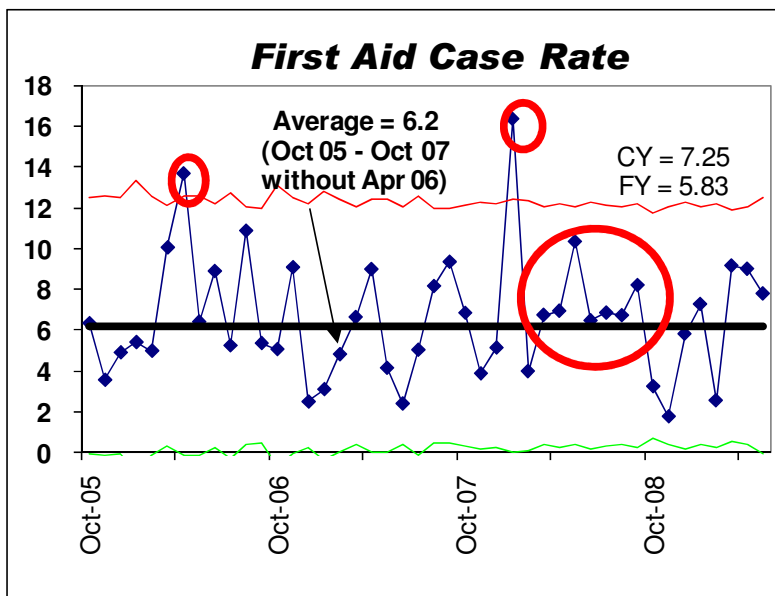
OSHA Days Away From Work (DAFW) Case Rate:



There were no DAFW cases in May. There have been a total of four cases reported this fiscal year.

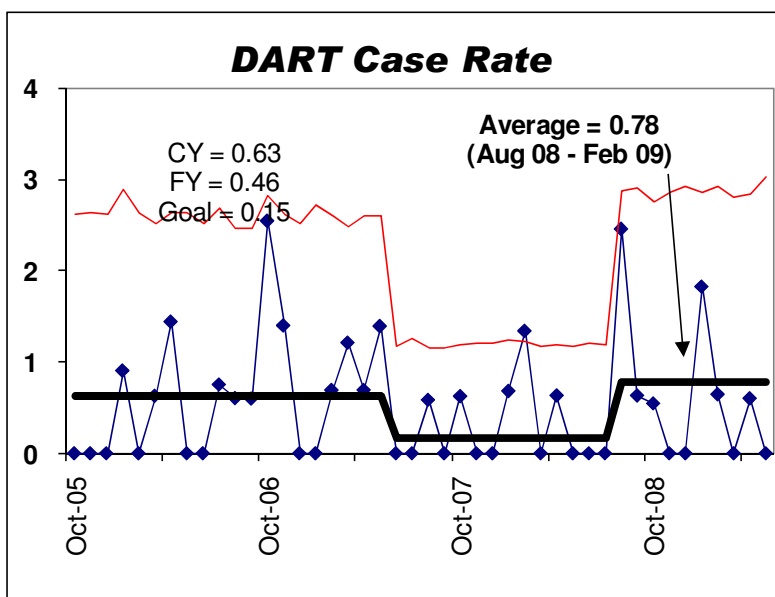
Safety Overview, continued

First Aid Case Rate:



Last month the first aid case rate was nearing a trend, but changes to injury classifications have returned the rate once again to the baseline.

Days Away Restricted/Transferred (DART) Case Rate:



There were no DART cases in May. The case rate remains above the baseline; management continues to monitor performance.

Schedule/Cost Performance (\$M)

Both Current Month and Fiscal Year to Date performance is presented below. Variances addressed are at the Fiscal Year to Date level.

Current Period (May)	Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance	Cost Variance	Budget At Completion (FY 2009)
RL-0020 Safeguards & Security	\$5.4	\$5.3	\$5.4	\$0.0	-\$0.1	\$68.6
RL-0040 Nuclear Facility D&D, Remainder of Hanford	\$1.4	\$1.7	\$1.1	\$0.4	\$0.6	\$21.9
RL-0041 Nuclear Facility D&D, River Corridor Project	\$0.1	\$0.0	\$0.1	-\$0.1	-\$0.1	\$0.5
RL-0044 B Reactor	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2
RL-0100 Richland Comm & Reg. Supt. - B Reactor	\$0.1	\$0.0	\$0.1	-\$0.1	-\$0.1	\$0.9
General Site Services	\$9.9	\$9.8	\$9.8	-\$0.1	\$0.1	\$159.4
Subtotal Sub-project Work scope	\$16.8	\$16.9	\$16.4	\$0.1	\$0.4	\$251.4
Total Work For Others	\$9.2	\$9.1	\$6.8	\$0.0	\$2.3	\$90.1
Total FH Contract Work scope	\$25.9	\$26.0	\$23.3	\$0.1	\$2.8	\$341.5

Variance threshold is +/- \$1M or 10%

Fiscal Year 2009 To Date	Budgeted Cost of Work Scheduled	Budgeted Cost of Work Performed	Actual Cost of Work Performed	Schedule Variance	Cost Variance	Budget At Completion (FY 2009)
RL-0020 Safeguards & Security	\$43.7	\$43.0	\$42.3	-\$0.7	\$0.6	\$68.6
RL-0040 Nuclear Facility D&D, Remainder of Hanford	\$9.6	\$10.1	\$9.4	\$0.6	\$0.8	\$21.9
RL-0041 Nuclear Facility D&D, River Corridor Project	\$0.2	\$0.2	\$0.2	\$0.0	-\$0.1	\$0.5
RL-0044 B Reactor	\$0.1	\$0.1	\$0.1	\$0.1	\$0.0	\$0.2
RL-0100 Richland Comm & Reg. Supt. - B Reactor	\$0.4	\$0.3	\$0.2	\$0.0	\$0.1	\$0.9
General Site Services	\$116.6	\$115.8	\$110.4	-\$0.6	\$5.5	\$159.4
Subtotal Sub-project Work scope	\$170.5	\$169.4	\$162.6	-\$1.1	\$6.9	\$251.4
Total Work For Others	\$56.2	\$56.2	\$54.0	\$0.0	\$2.2	\$90.1
Total FH Contract Work scope	\$226.7	\$225.6	\$216.6	-\$1.1	\$9.0	\$341.5

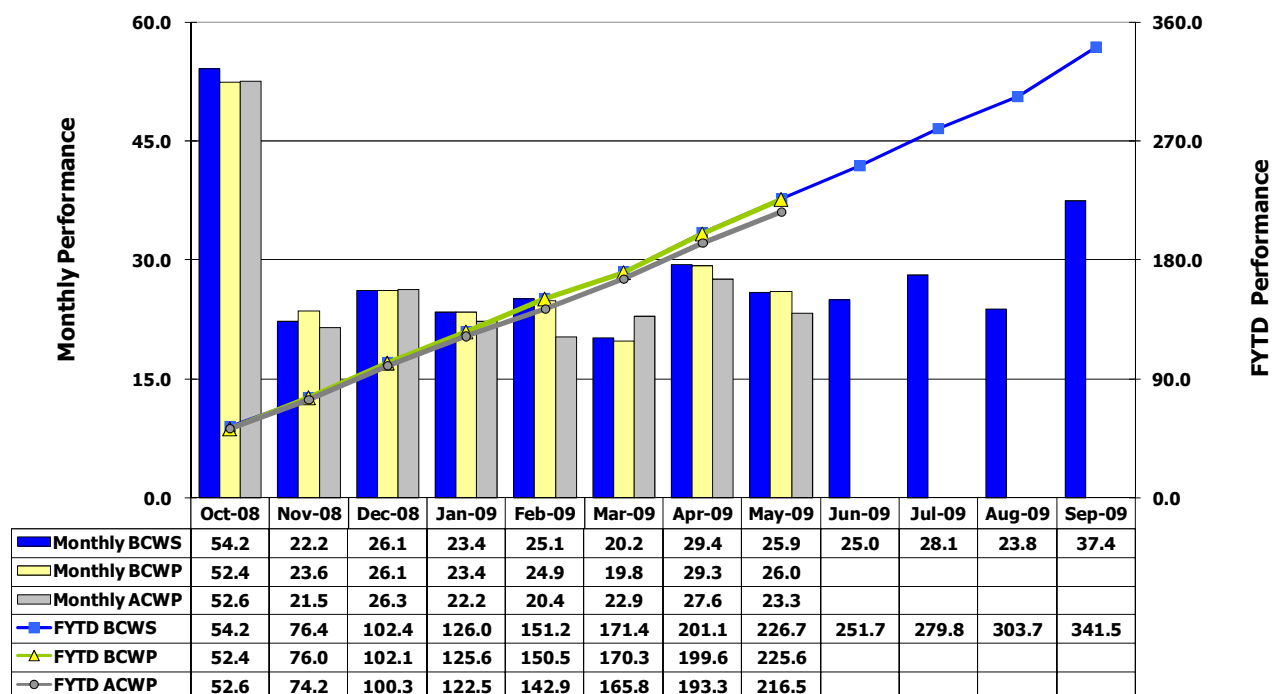
Variance threshold is +/- \$1M or 10%

FYTD Schedule Performance: Fiscal year to date contract schedule performance reflected a -\$1.1M/-0.5 percent unfavorable variance, and is within thresholds.

FYTD Cost Performance: Fiscal year to date contract cost performance reflected a +\$9.0M/+4.0 percent variance. The most significant cost variance is discussed in Section D, *General Site Services*.

Schedule/Cost Performance, continued (\$M)

Performance Status
FYTD and Monthly (\$M)



Milestone Performance

Hanford Federal Facility Agreement and Consent Order (abbreviated and referred to as the "Tri-Party Agreement") milestones represent significant events in project execution. The FY 2009 Enforceable Agreement milestone information provided herein is based upon the current baseline including RL-approved changes.

The PHMC had only one Tri-Party Agreement milestone due in FY 2009: M-026-01S, *Annual Hanford Land Disposal Restrictions Summary Report*, due on April 30, 2009. It was completed ahead of schedule.

MILESTONE TYPE	FISCAL YEAR-TO-DATE				REMAINING SCHEDULED			
	Completed Early	Completed On Schedule	Completed Late	Overdue	Forecast Early	Forecast On Schedule	Forecast Late	Total FY 2009
Enforceable Agreement	1	0	0	0	0	0	0	1

Government Furnished Services/Items Look Ahead

Listed below are the near-term RL action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open GFS/I from prior periods) are shown. Items shaded in "green" indicate on-time or early completion. Items shaded in "pink" are overdue. NOTE: GFS/I data is through June 24, 2009, with a seven-day grace period.

Ref ID	GFS/GFI	Commitment Date	Completed Date	RL Letter No.	Needed Contract Deliverable FH Letter No. & Date Complete	Responsibility
GF0176	DOE to review list of facilities no longer needing inspection and comment within 30 days	30-Apr-2009			CD0659 List of Facilities that no Longer meet the Useful Life Inspection Criteria Due: Annually by March 31 FH-0900763 Completed: March 31, 2009	Closure Services & Infrastructure
GF0179	DOE to review plan assessments and provide comments within 45 days of receipt	16-Jul-2009			CD0698 Area Management Plans and Resource Management Plans Assessed for Implementation of the Comprehensive Land Use Plan (CLUP) Due: June 1, 2009 FH-0901184 Completed: June 1, 2009	Closure Services & Infrastructure
GF0189	DOE letter of direction to affected (450.1A and/or 430.2B) Hanford Site contractors to submit/provide concurrence on the CY2009 Hanford Site EMS Sustainability Goals to FH Due: June 1, 2009	1-Jun-2009			TBD Due: (FY2010)	Environment, Safety, Health, & Quality
GF0194	DOE will provide the Baseline Update Guidance to FH by June 12, 2009	12-Jun-2009			CD0725 PBI-1.1b2: Baseline development for FY010 and beyond in support of MSA commitment Due: August 23, 2009	Project Systems & Support
GF0200	DOE will provide letter of direction and the funding guidance needed Due: July 12, 2009	12-Jul-2009			CD0664 PBI-2.2g: Design and bid and contract release preparation and purchase order issued to LMSI for HLAN Phase II upgrades Due: July 15, 2009	Business Services

Contract Deliverables Look Ahead

Listed below are the near-term FH Contract Deliverable action/commitments required to support FH's accelerated cleanup. Only data for the next 30 days (including any open Contract Deliverables from prior periods) are shown. Items shaded in "green" indicate on-time or early completion. Items shaded in "pink" are overdue. NOTE: All contract deliverable data is through June 24, 2009, with a seven-day grace period.

Ref ID	Deliverable	Planned Date	Completed Date	FH Letter No.	Needed GFS/GFI RL Letter No. & Date Completed	Responsibility
CD0114	Nuclear Material Accountability Transaction Data Report (Jun 2009) Due: Monthly	13-Jul-2009			None Identified	Safeguards & Security
CD0115	Nuclear Material Balance Report (Jun 2009) Due: Monthly	15-Jul-2009			None Identified	Safeguards & Security
CD0116	Status Report on DOE Findings (3rd Qtr 2009) Due: Quarterly	10-Jul-2009			None Identified	Safeguards & Security
CD0119	Classification Officers Report (3rd Qtr 2009) Due: Quarterly	20-Jul-2009			None Identified	Safeguards & Security
CD0141	Hanford Site Annual Polychlorinated Biphenyl (PCB) Document Log (2009) Due: Annually	26-Jun-2009			None Identified	Environment, Safety, Health, & Quality
CD0142	Air Operating Permit (AOP) Annual Compliance Certification Report (2009) Due: Annually	30-Jun-2009			None Identified	Environment, Safety, Health, & Quality
CD0154	RCRA Permit Class I Modification Notification (3rd Qtr 2009) Due: Quarterly	3-Jul-2009			None Identified	Environment, Safety, Health, & Quality
CD0163	Hanford Site Annual PCB Report (2009) Due: Annually	30-Jun-2009			None Identified	Environment, Safety, Health, & Quality
CD0169	Contract Performance Report (May 2009) Due: Monthly	29-Jun-2009			None Identified	Project Systems & Support
CD0173	Financial Information System (FIS) Standard Accounting and Reporting System (STARS) (Jun 2009) Due: Month-End Deadlines	9-Jul-2009			None Identified	Business Services
CD0178	Fiscal Year (FY)200X Contractor Assurance on the Adequacy of the Internal Management Control Program Due: Annually every August	8-Jul-2009			None Identified	Internal Audit
CD0179	Contract Funds Status Report (May 2009) Due: Monthly	29-Jun-2009	9-Jun-2009	FH-0500660 R52	None Identified	Business Services
CD0271	Depreciation Charges (Jun 2009) Due: Monthly	9-Jul-2009			None Identified	Business Services
CD0273	Erroneous Payment Report (3rd Qtr 2009) Due: Quarterly	15-Jul-2009			None Identified	Business Services
CD0281	Fluor Hanford, Inc., Cost Submittal FHXXXX (Jun 2009) Due: Monthly	9-Jul-2009			None Identified	Business Services
CD0284	GFS/I Report (3rd Qtr 2009) Due: Quarterly	15-Jul-2009			None Identified	Project Systems & Support
CD0285	Internal Audit Quarterly Status Report (3rd Qtr 2009) Due: 20 Days After FY Quarter End	22-Jul-2009			None Identified	Internal Audit
CD0286	Lead and Copper Monitoring Report Due: Tri-Yearly	23-Jul-2009			None Identified	Closure Services & Infrastructure
CD0300	200E, 200W Area Drinking Water Report (Jun 2009) Due: Monthly	13-Jul-2009			None Identified	Closure Services & Infrastructure
CD0401	Performance Analyses and Identification of Recurring Occurrences (3rd Qtr 2009) Due: Quarterly	22-Jul-2009			None Identified	Environment, Safety, Health, & Quality
CD0582	Meeting Minutes of the Quarterly Pension and Savings Committees meetings (1st Qtr CY2009) Due: Quarterly following approval of the Committees Meeting Minutes.	30-Jun-2009	4-Jun-2009	FH-0901171	None Identified	Business Services

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Contract Deliverables Look Ahead

Ref ID	Deliverable	Planned Date	Completed Date	FH Letter No.	Needed GFS/GFI RL Letter No. & Date Completed	Responsibility
CD0594	Breakdown (by contractor) of BPA power and transmission billing (May 2009) Due: Monthly	20-Jul-2009			None Identified	Closure Services & Infrastructure
CD0604	TPA milestone status reports and statistics (Jun 2009) Due: Monthly	15-Jul-2009			None Identified	Environment, Safety, Health, & Quality
CD0652	Mitigation Plan Updates (3rd Qtr 2009) Due: Quarterly	30-Jun-2009			None Identified	Closure Services & Infrastructure
CD0652	Mitigation Plan Updates (4th Qtr 2010) Due: Quarterly	30-Jun-2009	23-Jun-2009	FH-0702158AR17	None Identified	Closure Services & Infrastructure
CD0662	PBI-2.2f: Design, acquisition, and installation of the 200 area HLAN switches Due: July 15, 2009	15-Jul-2009				Business Services
CD0664	PBI-2.2g: Design and bid and contract release preparation and purchase order issued to LMSI for HLAN Phase II upgrades Due: July 15, 2009	15-Jul-2009			GF0200 DOE will provide letter of direction and the funding guidance needed Due: July 12, 2009	Business Services
CD0665	PBI-3.3a: Three replacement hoods installed in the WSCF Laboratory Due: July 15, 2009	15-Jul-2009				Closure Services & Infrastructure
CD0666	PBI-3.3b: Counter calibration complete and operational in the WSCF Due: July 15, 2009	15-Jul-2009				Closure Services & Infrastructure
CD0668	PBI-2.1c: Enterprise Informatics eB software and services purchased Due: July 15, 2009	15-Jul-2009				Business Services
CD0678	4732A opened as a staging area Due: July 15, 2009	15-Jul-2009	24-Apr-2009	FH-0900878	GF0184 Issue a letter to each of the other primary site contractors informing them of PHMC's provision of an artifact pick-up service for items Due: June 17, 2009	Richland Operations Center
CD0692	PBI-3.2-2: WiMax Pilot implementation on the Central Plateau verified to RL Due: July 15, 2009	15-Jul-2009				Business Services
CD0696	PBI-2.2b: Unified Messaging and provision for associated statistics implemented Due: July 15, 2009	15-Jul-2009				Business Services
CD0704	PBI-2.2c: Thin Client Pilot demonstration activities implemented Due: July 15, 2009	15-Jul-2009				Business Services
CD0705	PBI-2.2d1: Instant Messaging and Live Meeting software deployed for limited number of users Due: July 15, 2009	15-Jul-2009				Business Services
CD0707	PBI-2.2e: SharePoint Governance Board and charter established, FH Chief Information Officer demonstration site, and one or more demonstration Team Sites developed Due: July 15, 2009	15-Jul-2009				Business Services
CD0709	PBI-2.2a2 Microsoft Office upgrade implemented Due: July 15, 2009	15-Jul-2009				Business Services
CD0710	PBI-2.1b: Preventive maintenance work packages entered into IDMS Due: July 15, 2009	15-Jul-2009				Closure Services & Infrastructure
CD0712	PBI-2.1a: Voice-over-Internet Protocol activation and operation for a pilot group Due: July 15, 2009	15-Jul-2009				Business Services
CD0716	PBI-4.3c: Strategy Document for sanitary sewage service to support existing Hanford work scope and ARRA work scope Due: July 15, 2009	15-Jul-2009				Closure Services & Infrastructure

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Contract Deliverables Look Ahead

Ref ID	Deliverable	Planned Date	Completed Date	FH Letter No.	Needed GFS/GFI RL Letter No. & Date Completed	Responsibility
CD0717	PBI-4.3a: Installed 12-in potable water line to the T-Plant Complex Due: July 15, 2009	15-Jul-2009				Closure Services & Infrastructure
CD0718	PBI-4.3b: Potable and raw water lines in 200W cleaned, inspected and mortar lined per PBI-4.3b criteria Due: July 15, 2009	15-Jul-2009				Closure Services & Infrastructure
CD0721	PBI-3.3c: Collection and staging services for Hanford Curation provided to Other Hanford Contractors Due: July 15, 2009	15-Jul-2009			GF0202 DOE will formally notify CREHST of the technical oversight role FH will assume for RL Due: June 17, 2009	Richland Operations Center
CD0722	PBI-1.5a: Hanford site public and B Reactor Saturday tours conducted as scheduled Due: July 15, 2009	15-Jul-2009				Richland Operations Center
CD0726	PBI-1.1b1: Revised User Based service rate projections for Other Hanford Contractors for 2010 to 2015	15-Jul-2009			GF0203 RL will provide Notification to Site Contractors of PHMC role and expectations for support Due: May 15, 2009	Project Systems & Support
CD0727	PBI-2.2a1: BMS PeopleSoft Financials and Enterprise Reporting Application upgraded Due: July 15, 2009	15-Jul-2009				Business Services
CD0728	PBI-4.1: Safeguards and Security Force-On-Force Plan Due: July 15, 2009	15-Jul-2009				Safeguards & Security
CD0729	PBI-4.2a: Final termination of sensors and data gathering panels at the Interim Storage Area Protected Area Due: July 15, 2009	15-Jul-2009				Safeguards & Security
CD0730	PBI-4.2b: Alignment of fixed and pan-tilt zoom cameras at the Interim Storage Area Protected Area Due: July 15, 2009	15-Jul-2009				Safeguards & Security
CD0731	PBI-4.2c: Completion of acceptance test plan for the fiber loop communication testing and acceptance for the Interim Storage Area Protected Area Due: July 15, 2009	15-Jul-2009				Safeguards & Security
CD0732	PBI-3.1 Recovery Act courses scheduled versus completed report Due: July 15, 2009	15-Jul-2009			GF0205 DOE RL and ORP successfully negotiate the HAMMER use of the VIT simulator Building for classroom space.	HAMMER